Supreme Court, U. S.
FILED
FEB 5 1980
MICHAEL RODAK, JR., CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1979.

No. 79-1057

EVER-READY INCORPORATED AND MARK GILBERT,
Petitioners,

vs.

UNION CARBIDE CORPORATION,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

BERT A. COLLISON
WILLIAM K. GUILD
NIMS, HOWES, COLLISON & ISNER
60 East 42nd Street
New York, New York 10017
(212) 682-4590

JOHN H. MORRISON
PHILIP S. BECK
KIRKLAND & ELLIS
200 East Randolph Drive
Chicago, Illinois 60601
(312) 861-2252

Attorneys for Respondent, Union Carbide Corporation

Gunthorp-Warren Printing Company, Chicago • Financial 6-6565

TABLE OF CONTENTS.

	PAGE
Question Presented	1
Statement of the Case	1
Reasons for Denying the Writ	3
Conclusion	6

TABLE OF CITATIONS

Cases.

Menendez v. Holt, 128 U. S. 514 (1888)	5
McLean v. Fleming, 96 U. S. 245 (1877)	5
James Burrough Ltd. v. Sign of the Beefeater, Inc., 572 F. 2d 574 (7th Cir. 1978)	4
Helene Curtis Indus. v. Church & Dwight Co., 560 F. 2d 1325 (7th Cir. 1977) (en banc)	5
A. E. Staley Manufacturing Co. v. Staley Milling Co., 253 F. 2d 269 (7th Cir.), *cert. denied*, 357 U. S. 926 (1958)	5

Other Citations.

1B MOORE'S FED. PRACTICE ¶ 0.404 *et seq.*	4

IN THE

Supreme Court of the United States

OCTOBER TERM, 1979

No. 79-1057

EVER-READY INCORPORATED AND MARK GILBERT,
Petitioners,

vs.

UNION CARBIDE CORPORATION,
Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT

QUESTION PRESENTED

Whether the Court of Appeals was correct in refusing to permit petitioners to relitigate their laches defense, where that defense had been rejected on the particular facts of this case by the Court of Appeals in a prior appeal.

STATEMENT OF THE CASE

Although the petitioners in this case ostensibly seek review of a June 13, 1979 Order, in fact their argument addresses exclusively the propriety of a 1976 decision which was itself the subject of an unsuccessful petition for certiorari.

Both the 1976 and the 1979 decisions arose from an action in which Union Carbide Corporation sought to enjoin infringement of its trademark EVEREADY. Petitioners contested the validity of the trademark, denied infringement, and asserted the affirmative defenses of laches and misuse of the trademark in violation of the antitrust laws. After a trial at which the antitrust misuse defense was severed, the District Court held that Union Carbide's trademark was invalid and had not been infringed. 392 F. Supp. 280.

On appeal, the Seventh Circuit reversed. It held that the trademark EVEREADY was indeed valid and that petitioners' actions did constitute infringement. The Court also held that the defense of laches was unavailable to petitioners. Gilbert and Ever-Ready, Inc. petitioned for rehearing on several grounds, including that the Court of Appeals "ignored crucial evidence in support of defendants' laches defense." The Court directed Union Carbide to answer the laches argument, and on consideration of the petition and answer the Court denied rehearing on March 11, 1976. 531 F. 2d 366.

Before the case was remanded for trial of the antitrust misuse defense, Gilbert and Ever-Ready, Inc. petitioned for certiorari. The petition presented two questions, one concerning the validity of the trademark and the other concerning its infringement. Petitioners could have asserted also that the Court erred in rejecting their laches defense, but they chose not to do so.* The petition was denied on October 4, 1976. 429 U. S. 830.

The case was then returned to the District Court, where a trial was held on the antitrust misuse defense. The Court dismissed the defense for failure of proof and, after several hearings, entered an order enjoining infringement of Union Carbide's

* As he does concerning each of his attorneys' strategic decisions that proved unsuccessful, Gilbert contends that the exclusion of the laches issue from his earlier petition was contrary to his instructions to counsel. Gilbert has never sued his former attorneys for their alleged disobedience, although he has sued one of Union Carbide's attorneys, claiming that the 1976 appellate victory for Union Carbide was obtained by blackmailing Circuit Judges Pell and Sprecher and the late Justice Tom C. Clark.

trademark EVEREADY on March 3, 1977. (App. 27) Thereafter, on October 13, 1977, petitioners were adjudged in contempt of court for failure to comply with the injunction.

On appeal, petitioners challenged not only the rulings rendered below but also the Court of Appeals' 1976 decision. The Court of Appeals rejected the attack on its prior decision, affirmed the District Court's dismissal of the antitrust misuse defense, and remanded with directions to fashion a more finely tuned injunction. (App. 24) Petitioners' request for rehearing was denied on August 9, 1979 (App. 1), and this petition followed.

Although the present petition includes a question (Number 3) which appears to relate to the propriety of the Court of Appeals' directions on remand, the entire argument concerns the Court of Appeals' 1976 rejection of petitioners' laches defense. The underlying facts relevant to the laches issue are readily summarized. The trademark infringement action was commenced on December 30, 1971, the same year Union Carbide learned of petitioners' use of EVER-READY on electrical products such as miniature lamp bulbs and lamps. Although petitioners had used EVER-READY as a corporate name for many years, they did not begin the infringing use which prompted the Complaint in this case until 1969—just two years prior to Union Carbide's discovery of the infringement and filing suit. The Court of Appeals held that "the time lapse is insufficient to establish laches on the facts of this case." (App. 66.)

REASONS FOR DENYING THE WRIT

The sole issue argued in the petition is whether the Court of Appeals erred in 1979 in declining to overturn its 1976 ruling that the defense of laches was unavailable to these particular petitioners on the particular facts of this case. Such an issue is peculiarly unworthy of review by certiorari, for it involves no important question of law, fact, or judicial administration.

Beyond the fact that the question presented has no public significance, the writ should be denied because the question

undoubtedly was answered correctly by the Court of Appeals. First, the doctrine of law of the case counseled against the Court of Appeals—and this Court—reexamining matters that were disposed of in the prior appeal. Second, there was no reason to depart from the doctrine of law of the case, for the previous decision on laches was correct in every respect.

Petitioners' attempt to relitigate their prior appeal is squarely contrary to the doctrine of law of the case. As the Court of Appeals recently stated in another trademark case:

> "When a court states a rule of law which is to be applied in the case before it, the court establishes the 'law of the case' that will normally be applied to the same issues in subsequent proceedings in that case. 'The rule of law of the case is a rule of practice, based upon sound policy that when an issue is once litigated and decided, that should be the end of the matter.' *United States* v. *United States Smelting, Refining & Mining Co.*, 339 U. S. 186, 198 (1950)." *James Burrough Ltd.* v. *Sign of the Beefeater, Inc.*, 572 F. 2d 574, 577 (7th Cir. 1978).

Under this doctrine, a court should not reconsider a previously determined issue unless correction of manifest error is necessary to cure a grave injustice. *See generally* 1B Moore's Fed. Prac. ¶ 0.404 *et seq.* Here, however, there has been no error.

Petitioners' major complaint seems to be that the Court of Appeals decided the laches issue at all. While the Court of Appeals certainly could have withheld decision on that issue, just as clearly the Court acted within its power by disposing of the issue when it did. The trial judge received evidence on laches, and the parties' pre- and post-trial briefs discussed the laches issue in detail. The issue was ripe for disposition. And, given the facts of this case, as a matter of law the only proper disposition was to reject the laches defense.

The first critical fact is that the suit was for injunctive relief only; Union Carbide never sought monetary relief. While delay in bringing suit may deprive a trademark owner of its right to damages, it will not ordinarily affect its right to an injunction

against further infringement. *McLean* v. *Fleming*, 96 U. S. 245, 258 (1877); *Menendez* v. *Holt*, 128 U. S. 514, 523 (1888). This rule protects the rights of the public as well as of the trademark owner. In *A. E. Staley Manufacturing Co.* v. *Staley Milling Co.*, 253 F. 2d 269, 279 (7th Cir.), *cert. denied*, 357 U. S. 926 (1958), the court observed that:

> ". . . a public interest exists that should be protected—a right of the public not to be confronted on all sides with confusion or the likelihood thereof."

Thus, because "mere passage of time cannot constitute laches" in such a case, *Helene Curtis Industries* v. *Church & Dwight Co.*, 560 F. 2d 1325, 1334 (7th Cir. 1977) (en banc), *quoting Friend* v. *H. A. Friend & Co.*, 416 F. 2d 526, 533 (9th Cir. 1969), petitioners' laches defense would have been unavailable as a matter of law even if Union Carbide had inexcusably delayed in bringing suit.

Union Carbide, moreover, did not inexcusably delay. To the contrary, Union Carbide commenced this litigation the same year it actually learned of petitioners' infringement and within two years of when the infringement began. As the Court of Appeals held, "the time lapse is insufficient to establish laches on the facts of this case." (App. 66.)

Finally, we note but are unable to comprehend petitioners' Point IV, and we have but one comment concerning Point III. Contrary to the suggestion in Point III, the District Court's injunction was not affirmed as modified by the Seventh Circuit. Rather, the Court of Appeals remanded with directions to narrow the scope of the injunction so as to cover only those uses of the term EVER-READY which are likely to cause confusion with respondent's trademark EVEREADY. The District Court has yet to make the necessary findings and amend the existing injunction. Consequently, petitioners' argument in Point III is premature.

CONCLUSION

For the foregoing reasons, the petition for a writ of certiorari should be denied.

Respectfully submitted,

BERT A. COLLISON
WILLIAM K. GUILD
NIMS, HOWES, COLLISON & ISNER
60 East 42nd Street
New York, New York 10017
(212) 682-4590

JOHN H. MORRISON
PHILIP S. BECK
KIRKLAND & ELLIS
200 East Randolph Drive
Chicago, Illinois 60601
(312) 861-2252

Attorneys for Respondent, Union Carbide Corporation

Dated: February 6, 1980.